BEFORE THE U.S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Application of)	
US AIRWAYS, INC.))	Docket DOT-OST-2000-7182
for an exemption pursuant to 49 U.S.C. § 41718(b) (Washington, D.C. Reagan National)	DOORSE DOT 001 2000 1 102
Airport – Oklahoma City, Oklahoma)))	

APPLICATION OF US AIRWAYS, INC. FOR AN EXEMPTION (Washington, D.C. Reagan National Airport – Oklahoma City, Oklahoma) ("OK to DCA")

Communications with respect to this document should be sent to:

Howard Kass Vice President, Legal and Government Affairs

Benjamin T. Slocum Director, Legal and Government Affairs

US Airways, Inc. 1401 H Street, NW, Suite 1075 Washington, DC 20005 (202) 326-5153 howard.kass@usairways.com benjamin.slocum@usairways.com

December 5, 2012

BEFORE THE U.S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Application of)	
US AIRWAYS, INC.)	Docket DOT-OST-2000-7182
for an exemption pursuant to)	Docket DO1-031-2000-7 102
49 U.S.C. § 41718(b))	December 5, 2012
(Washington, D.C. Reagan National)	2000111201 0, 2012
Airport – Oklahoma City, Oklahoma))	
)	

APPLICATION OF US AIRWAYS, INC. FOR AN EXEMPTION (Washington, D.C. Reagan National Airport – Oklahoma City, Oklahoma) ("OK to DCA")

I. INTRODUCTION

By Notice served November 13, 2012 ("Notice"), the U.S. Department of Transportation ("DOT" or "Department") instituted a slot exemption proceeding pursuant to 49 U.S.C. § 41718(b) for applications from carriers using Stage III aircraft for a single roundtrip between Washington's Reagan National Airport ("Reagan National" or "DCA") and any medium hub or smaller airport within the 1,250 mile Reagan National perimeter.¹

_

¹ See Notice, p.1.

US Airways, Inc. ("US Airways") proposes to inaugurate the first-ever nonstop service between Reagan National and Oklahoma City, Oklahoma ("OKC")2, thereby significantly advancing the statutory purposes and fulfilling the requirements of AIR 21/Vision 100, bringing competitive air service to a community unserved from DCA.³ In addition to new nonstop service to/from DCA, US Airways will also introduce two daily first-ever round trips between OKC and Charlotte, North Carolina ("CLT"), which would start on the same day as the new DCA service. 4 Thus, US Airways would provide OKC travelers three new flights, with nonstop access to the Nation's Capital and nonstop service to US Airways' largest hub in Charlotte, with over 125 connecting destinations.

Details of the service proposal are shown below:

ROUTES:

Reagan National (DCA) – Oklahoma City, OK (OKC)

and

Charlotte, NC (CLT) – Oklahoma City, OK (OKC)

SCHEDULE:

13:50-16:10 Westbound (DCA-OKC)

16:40-20:30 Eastbound (OKC-DCA)

11:15-12:47 Westbound (CLT-OKC) 13:30-16:48 Eastbound (OKC-CLT)

20:30-22:02 Westbound (CLT-OKC) 07:15-10:33 Eastbound (OKC-CLT)

AIRCRAFT TYPE: OKC-DCA service will be provided on mainline E-190 aircraft with

99 seats in two classes of service.

² Although currently listed by the FAA as a small-hub airport, under the 1997 hub classifications that are relevant for purposes of AIR 21/Vision 100 slot exemption applications, OKC is a medium-hub airport. (See, Federal Aviation Administration Terminal Area Forecasts for FY 1998-2015, Table B-2, listing medium-hub airports.)

See 49 U.S.C. § 41718(b) and 49 U.S.C. § 41718(c)(3).

⁴ Absent an award of slot exemptions to begin OKC-DCA service, US Airways would not commence OKC-CLT service at this time.

OKC-CLT service will be provided on CRJ-900 and CRJ-700 aircraft, with 79 and 67 seats, respectively, in two classes of service.⁵

All aircraft are Stage III Compliant.

FARES/PRICING: Competitive with current OKC-Washington and OKC-Charlotte

fares.

PASSENGERS: US Airways projects it will serve over 56,000 passengers annually

on its OKC-DCA service.

US Airways projects it will serve over 84,000 passengers annually

on its OKC-CLT service.

LOAD FACTORS: OKC-DCA: 78% projected

OKC-CLT: 79% projected⁶

II. US AIRWAYS' THREE-FOR-ONE SERVICE PROPOSAL WILL PROVIDE OVER ONE MILLION PEOPLE ACCESS TO THE NATION'S CAPITAL, THE THIRD LARGEST U.S. AIRLINE HUB AT CLT, AND OVER 125 OTHER DESTINATIONS.

Oklahoma City represents a community with a population of nearly 1.3 million people.⁷ With over 38,400 passengers traveling annually between DCA and OKC, Oklahoma City currently is the largest metropolitan area lacking DCA service.⁸ Indeed, OKC-DCA service was endorsed by Southwest Airlines ("Southwest") in the last route proceeding, where Southwest proposed nonstop OKC-DCA service. Clearly, Oklahoma City is ready for nonstop DCA service.

⁸ Source: Superset, YE Q2 2012

⁵ CRJ-900 and CRJ-700 aircraft will be operated by US Airways Express carriers. E-190 aircraft are operated by US Airways, however, there may be occasion when OKC-DCA service is operated by US Airways Express carriers based upon marketplace conditions.

⁶ OKC-CLT load factor assumes one daily operation each with a CRJ-900 and a CRJ-700.

⁷ See Annual Estimates of the Population of Metropolitan and Micropolitan Statistical Areas for July 1, 2007 ("Census Annual Estimate"), available at

http://www.census.gov/popest/data/metro/totals/2011/tables/CBSA-EST2011-01.xls.

US Airways service would provide the nearly 1.3 million residents of Oklahoma
City with their first-ever nonstop service to DCA, which will include convenient
connections to cities throughout the Northeast, including Boston, Hartford, New York,
Philadelphia, and Providence. However, US Airways' service proposal also provides
something no other service proposal can match – service to over 125 cities, including
21 international destinations in Europe, Central and South America, and the Caribbean,
via first-ever nonstop service to CLT, US Airways' largest hub, and the third-largest hub
in the United States.

US Airways' entire service proposal also will compete for premium cabin customers, with "OK to DCA" service operated using mainline E-190 aircraft, with two classes of service; while service to/from CLT includes US Airways' popular new Express First product on its two-service class regional jets.

III. US AIRWAYS' SERVICE PROPOSAL MEETS THE STATUTORY CRITERIA AND IS FULLY CONSISTENT WITH THE FACTORS PREVIOUSLY EXAMINED BY THE DEPARTMENT WHEN EXERCISING ITS DISCRETION.

49 U.S.C. § 41718(b) requires within perimeter slot exemptions to be distributed "in a manner that promotes air transportation:

- (1) by new entrant...and limited incumbent air carriers;
- (2) to communities without existing nonstop air transportation to [DCA];
- (3) to small communities;
- (4) that will provide competitive nonstop air transportation on a monopoly nonstop route to [DCA]; or
- (5) that will produce maximum competitive benefits, including low fares."9

⁹ Notice, p.2.

US Airways' proposed service meets these statutory criteria, as its three-for-one service proposal will provide the maximum competitive benefits to a small community that lacks nonstop DCA air transportation.

The legislative history of AIR-21/Vision 100 indicates a desire for more service between smaller communities and DCA¹⁰ – a desire wholly-consistent with Department policy¹¹ and with US Airways' proposal. More recently, the Department stated it has "the discretion to premise an award of within-perimeter slot exemptions on the satisfaction of less than the greatest number of criteria, or even one criterion, listed in Section 41718(b), based upon the Department's analysis of the relative merits of each carrier's proposal when evaluated under these criteria."¹²

In exercising this discretion, one of the factors the Department has considered is service from adjacent airports. The Department has indicated it will be cognizant of applications for service to alternate airports in cities that already enjoy abundant service from the Washington DC-region, and applications for service to cities which the applicant itself already serves from Washington-Dulles ("IAD") and Baltimore-Washington International ("BWI"). In this case, there is one daily round-trip between Oklahoma City and each of IAD (United Express) and BWI (Southwest) – but there is no

¹⁰ See, e.g., H.R. Rep. No. 106-167 (1999) (noting that AIR-21's granting of additional exemptions at Reagan National would allow established carriers to more easily serve smaller communities) *and* the FAA Modernization and Reform Act of 2012, in which Congress refused to allow carriers to add beyond-perimeter flights at the expense of small communities

perimeter flights at the expense of small communities.

11 49 U.S.C. § 40101(a)(16) (expressly recognizing the principle of "ensuring that consumers in all regions of the United States, including those in small communities and rural and remote areas, have access to affordable, regularly scheduled air service").

¹² Order 2012-7-26, p. 16. See also Notice, p. 2.

¹³ See Order 2012-7-26, p. 18 (acknowledging that IAD and BWI provide "alternative access to the Washington area for many travelers", and then considering the availability of these alternatives in awarding the available slot exemptions for service to Jackson, Mississippi).

service to/from DCA. An award to US Airways would permit travelers to choose a nonstop service to whichever option they prefer.

* * *

As always, the Department's focus in this proceeding should be on the public benefits provided by the proposed service. In this case, US Airways' three-for-one service proposal not only provides first-ever nonstop service between OKC and DCA, but also links OKC with US Airways' largest hub in CLT and over 125 connecting destinations (21 international). This new package of service involving three new flights and two new routes will lead to enormous consumer benefits.¹⁴

¹⁴ US Airways notes its strong history of sustaining operations to airports for which it is awarded AIR 21/Vision 100 slot exemptions, such as Chattanooga, Tennessee, and Sarasota-Bradenton, Florida. This commitment is important as it not only provides certainty for consumers in communities served with AIR 21/Vision 100 slot exemptions, but it also avoids the repeated and continual utilization of Department resources to keep reallocating slot exemptions.

WHEREFORE US Airways, Inc. respectfully requests that the Department grant its Application for an Exemption pursuant to 49 U.S.C. § 41718(b), for two within-perimeter slot exemptions to be operated between Washington, D.C. Reagan National Airport and Oklahoma City, Oklahoma, because such a service would provide the greatest level of public benefits to a smaller community that lacks nonstop service to DCA; while also triggering first-ever nonstop service to the third-largest airline hub in the United States (CLT), with connections to over 125 destinations.

Respectfully submitted,

Howard Kass

Vice President, Legal and Government Affairs

Benjamin T. Slocum

Director, Legal and Government Affairs

US Airways, Inc. 1401 H Street, NW, Suite 1075 Washington, DC 20005 (202) 326-5153 howard.kass@usairways.com

benjamin.slocum@usairways.com

December 5, 2012

CERTIFICATE OF SERVICE

I certify that, on December 5, 2012, I caused to be served a copy of the foregoing Application of US Airways, Inc. for an Exemption, by email, upon those addressees listed below:

Robert.Letteney@dot.gov (U.S. Department of Transportation) Todd.Homan@dot.gov (U.S. Department of Transportation) James.Dann@dot.gov (U.S. Department of Transportation) john.allen@faa.gov (Federal Aviation Administration) dan.weiss@united.com (United) steve morrissey@united.com (United) karine.faden@united.com (United) jonathan.linde@united.com (United) francis.heil@aa.com (American) robert.wirick@aa.com (American) sascha.vanderbellen@delta.com (Delta) jhill@dlalaw.com (Counsel for JetBlue) robert.land@jetblue.com (JetBlue) msinick@ssd.com (Counsel for Alaska) jyoung@yklaw.com (Counsel for Spirit) dkirstein@yklaw.com (Counsel for Spirit) bob.kneisley@wnco.com (Southwest) leslie.abbott@wnco.com (Southwest) ethan.blank@rjet.com (Republic) robert.cohn@hoganlovells.com (Counsel for Republic) patrick.rizzi@hoganlovells.com (Counsel for Republic)

Benjamin T. Slocum